Amendment of VAT system

†2841. SHRI PYARELAL KHANDELWAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are bent upon implementing VAT' without full consent of State Governments;

(b) whether it is also a fact that traders from all over the country are agitating on being suspicious of VAT;

(c) if so, the reasons for adopting adamant attitude instead of finding peaceful solution of this matter by Government; and

(d) whether Government is considering to amend the present form of 'VAT' in view of country-wide protest?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) VAT is a State level tax reform measure, which was implemented with effect from 1st April, 2005 by most of the States. An Empowered Committee of State Finance Ministers has been set up to decide on all issues relating to implementation of State level VAT. The Empowered Committee of State Finance Ministers has decided to implement VAT and has finalized the VAT design, after prolonged deliberations and due consideration of advantages offered by the VAT system and concerns of all stakeholders including traders. Therefore, the question of Government of India being bent upon implementation of VAT without full consent of the State Governments does not arise.

(b) to (d) It is true that a section of the trading community is agitating against VAT. As State level VAT is a State subject, any decision to amend the present form of VAT is to be taken by the Empowered Committee of the State Finance Ministers. The Empowered Committee is seized of the issue and is looking into the genuine problems/concerns of traders.

Withdrawal of money through fake cheques in banks

†2842. SHRI DILIP SINGH JUDEV: Will the Minister of FINANCE be pleased to state:

(a) number of cases of withdrawal of money through fake cheques, demand drafts during the last three years and details of nationalised banks situated in Chhattisgarh and Madhya Pradesh where such cases have taken place;

†Original notice of the question was received in Hindi

(b) the details of amount of loss suffered by each bank, bank-wise;

(c) number of bank officers and employees found involved in this regard; and

(d) the details of their names, bank-wise and action taken against them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) The information is being collected and will be laid on the Table of the House.

Review of disinvestment policy

2843. SHRI JIBON ROY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that in October, 2004, Government had informed the Supreme Court that it was reviewing the disinvestment policy pursued by the NDA regime; and

(b) if so, whether the present decision of disinvesting shares of BHEL is in conformity with the submissions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) A Special Leave Petition filed by Jessop & Co. Staff Association in the Supreme Court was listed for hearing on 11.10.2004. Along with this SLP, two Transfer Petitions filed by the Union of India and three other Writ Petitions relating to disinvestment matters were listed for hearing before the same Bench. The issues before the Supreme Court were important policy related issues regarding disinvestment and the Government had, at that stage, not finalized details of the policy. The Attorney-General appeared on behalf of the Union of India. In view of the importance of these matters, the Court decided that this should be heard by a larger Bench.

(b) The current policy of the Government envisages that the existing Navratna companies will be retained in the Public Sector and profit making companies will not be generally privatised. The Government may, ensuring that it retains atleast 51% of the equity and the management control of the Public Sector Enterprise (PSE), sell minority shares either in conjunction with the proposal of the concerned PSEs to raise funds from the market or otherwise. BHEL is a profit making listed company. No specific decision in regard to BHEL has been taken.

Agricultural loans in Tamil Nadu

2844. SHRI E.M. SUDARSANA NATCHIAPPAN: Will the Minister of FINANCE be pleased to state:

(a) the amount of agricultural loans being provided by the various nationalised banks in Tamil Nadu during the last two years;